

MINUTES OF MEETING

RHODE ISLAND AIRPORT CORPORATION

BOARD OF DIRECTORS

WEDNESDAY, JUNE 20, 2007

3:00 P.M.

**IN THE CONFERENCE ROOM, 2220 SOUTH COUNTY TRAIL
EAST GREENWICH, RHODE ISLAND**

The meeting of the Rhode Island Airport Corporation (“Corporation”) Board of Directors was called to order by Chair, Kathleen C. Hittner, M.D., at 3:06 p.m., in the Conference Room, at 2220 South County Trail, East Greenwich, Rhode Island, in accordance with the notice duly posted pursuant to the Open Meetings Law.

BOARD MEMBERS PRESENT: Kathleen Hittner, M.D; James Forte; Joseph Cianciolo; Robert Sangster; Michael Traficante; Joseph Larisa (arrived at 3:21 p.m.).

ALSO PRESENT: Peter Frazier, General Counsel; Brian C. Schattle, Chief Financial Officer; Marci A. Greenberger, A.A.E., Senior Vice President of Operations and Maintenance; and those members listed on the attendance sheet attached hereto.

1. Approval of the Minutes:

A motion was made by Mr. Forte and seconded by Mr. Cianciolo to

approve the minutes of the Board Meeting of May 30, 2007. The motion was passed unanimously.

2. Open Forum:

Dr. Hittner asked if anyone present wanted to speak in Open Forum. Mr. Chris Howley from Republic Parking asked the Board if they would reconsider their decision on the selection of a new parking company. Mr. Howley explained the rationale for this request. The Board thanked Mr. Howley for his comments.

3. Report from Chair, Board of Directors:

There was no report.

4. Report from President and CEO:

There was no formal report. However, Mr. Schattle took the opportunity to brief the Board on a business proposal from a yachting company for development at Quonset. Mr. Schattle reported that staff is working with QDC on this initiative.

5. Legislative Report:

There was no report.

The order of the agenda was reversed to consider items 8 and 8.1 (a) Finance and Audit Committee Report.

6. Finance and Audit Committee Report:

Mr. Cianciolo gave an overview of the Draft FY 08 Budget.

6.1 Consent Agenda:

(a) Consideration of and Action Upon the Fiscal Year 2008 Budget.

A motion was made by Mr. Cianciolo and seconded by Mr. Traficante to approve the FY 08 Budget substantially in the form presented to the Board. The motion was passed unanimously.

7. Operations and Capital Committee Report:

Mr. Traficante made a motion to remove item 7 (b) Consideration of and Action Upon Approval to Enter into a Professional Services Agreement for Parking Management Services at T. F. Green Airport from the consent agenda. Mr. Forte seconded the motion. The motion was passed unanimously.

7.1. Consent Agenda Items:

Mr. Forte reported that the Committee had met three hours prior to

the Board Meeting and that there were items on the Consent Agenda for approval by the Board.

A motion was made by Mr. Forte and seconded by Mr. Cianciolo to approve the items on the Consent Agenda, with the exception of item 7 (b) which was removed from the consent agenda for discussion and action. The motion was passed unanimously.

(a) Consideration of and Action Upon Authorization of Gilbane Building Company to Enter Into a Construction Contract for Short Term Lot Improvements for the Intermodal Facility.

WHEREAS, the Rhode Island Airport Corporation (RIAC) has a Capital Improvement Program (CIP) project to construct an Intermodal Facility; and

WHEREAS, this project is budgeted in RIAC's CIP in the amount of \$222,456,000 with funding through the Series 2006 First Lien Bond proceeds, proceeds from the Transportation Infrastructure Finance and Innovation Act (TIFIA) loan, Federal Highway Administration (FHWA) Grants, State of Rhode Island Grants and Customer Facility Charges (CFCs); and

WHEREAS, on May 29, 2007, Gilbane Building Company (Gilbane) received and opened four sealed bids for Short Term Lot Improvements, in accordance with RIAC's Procurement Rules and

Regulations; and

WHEREAS, submittals were received from Cardi Corporation, D'Ambra Construction, Fleet Construction and A. Korey Construction; and

WHEREAS, D'Ambra withdrew their bid on May 30th and the bid submitted by A. Korey Construction was deemed nonresponsive; and

WHEREAS, Gilbane has determined the bid submitted by Cardi Corporation was the lowest responsive bid; and

WHEREAS, Gilbane recommends, and RIAC staff agrees, award of the short term lot improvements contract to Cardi Corporation in an amount not-to-exceed \$1,029,951.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board authorizes the President and CEO, or his designee, to execute appropriate documents to enable Gilbane to enter into a Construction Contract with Cardi Corporation (Cardi) for the Short Term Lot Improvements portion of the Warwick Intermodal Facility Project in an amount not-to-exceed \$1,029,951, subject to Federal Highway Administration and Rhode Island Department of Transportation approvals.

(b) Consideration of and Action Upon Approval of a Contract Award for Eighteen Multifunction Copier Units at T. F. Green Airport.

WHEREAS, the Rhode Island Airport Corporation (RIAC) is responsible for the maintenance and operation of airport facilities at the six Rhode Island airports; and

WHEREAS, RIAC currently leases multifunction office copier units from Xerox with staggered terms; and

WHEREAS, it has been determined that there is a need for updated multifunction copier equipment throughout the operating departments; and

WHEREAS, the proposed Fiscal Year 2008 Operating and Maintenance (O&M) budget includes \$60,000 for these items; and

WHEREAS, the use of Cooperative Contracts is allowed under Section 2.2.2.5 of RIAC's Procurement Rules; and

WHEREAS, vendors on the State of Rhode Island Master Price Agreement (MPA), and local General Services Administration (GSA) vendors were contacted and invited to quote on specific products; and

WHEREAS, RIAC received six bid submissions that were evaluated to

determine both responsiveness and responsibility; and

WHEREAS, as a result of this evaluation, the recommendation is to award a Contract to IKON Office Solutions in the amount of \$208,999 for a forty-eight month lease of this equipment; and

WHEREAS, the lease includes the approximate \$55,000 buyout cost of the existing Xerox leases.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board hereby authorizes the President and CEO, or his designee, to execute a contract for the lease of eighteen multifunction copier units with IKON Office Solutions in the amount of \$208,999.

(c) Consideration of and Action Upon Amendment to the Professional Services Agreement with ConEdison to Complete an Investment Grade Audit for the Cogeneration Component of the Potential Energy Saving Performance Contract at T. F. Green Airport.

WHEREAS, the State and Federal Energy Office are promoting a, “Rebuild America” program in an effort to reduce air emissions by enhancing a buildings energy efficiency and performance; and

WHEREAS, on February 15, 2006, the Rhode Island Airport Corporation (RIAC) Board of Directors approved, and RIAC entered

into, a Professional Service Agreement (PSA) with ConEdison to perform an Investment Grade Audit (IGA) for the potential Energy Saving Performance Contract (ESPC); and

WHEREAS, during the completion of the IGA for the base ESCP project ConEdison identified that Cogeneration could provide T. F. Green Airport with continuity of business (essential emergency electrical power during a utility power failure) and the potential use of self generated electricity during high demand periods; and

WHEREAS, if RIAC decides to continue with the ESPC (whether or not Cogeneration is a component), the actual costs to complete the IGA, currently estimated at \$130,000, will be included as a cost of the project and incorporated into that contract; and

WHEREAS, if RIAC decides not to continue with any portion of the ESPC, a \$25,000 fee for the IGA will be paid to ConEdison as compensation for the deliverables of the Cogeneration IGA; and

WHEREAS, the proposed Fiscal Year 2008 Capital Improvement Program (CIP) budget includes a \$5,000,000 project for the Cogeneration component of the potential ESPC; and

WHEREAS, based on the results of this IGA, RIAC will determine whether or not to include Cogeneration as a component of the potential ESPC.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board hereby authorizes the President and CEO, or his designee, to amend the Professional Service Agreement with ConEdison Solutions to perform an Investment Grade Audit for the potential Energy Saving Performance Contract to include the completion of an Investment Grade Audit for Cogeneration at T. F. Green Airport based on the following terms:

- If RIAC decides to continue with the Energy Saving Performance Contract (whether or not Cogeneration is a component), the actual costs to complete the Investment Grade Audit, currently estimated at \$130,000, will be included as a cost of the project and incorporated into that contract.**
- If RIAC decides not to continue with any portion of the Energy Saving Performance Contract, a \$25,000 fee will be paid to ConEdison as compensation for the deliverables of the Cogeneration Investment Grade Audit.**

(d) Consideration of and Action Upon Approval to Enter into a Contract with National Grid to Provide an Alternate Electrical Substation Feed at T. F. Green Airport.

WHEREAS, RIAC is completing an Investment Grade Audit (IGA) for

an Energy Saving Performance Contract (ESPC); and

WHEREAS, as a separate agenda item RIAC staff is requesting approval to authorize ConEdison to complete an IGA to review Cogeneration which could provide T. F. Green Airport with continuity of business (essential emergency electrical power during a utility power failure) and the potential use of self generated electricity during high demand periods; and

WHEREAS, as an additional safeguard, RIAC staff has worked with National Grid to develop a plan to limit the risk of a power failure at T. F. Green; and

WHEREAS, in the event of a power failure between the current substation feed and T. F. Green, the Terminal building can be switched over to the secondary feed to maintain operations; and

WHEREAS, the proposed Fiscal Year 2008 Operating and Maintenance (O&M) budget includes \$90,000 in anticipation of this service coming online in October 2007; and

WHEREAS, total annual costs are anticipated to be approximately \$120,000; and

WHEREAS, National Grid requires a two year contract, estimated at \$240,000, to recover its capital investment to provide this service.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board hereby authorizes the President and CEO, or his designee, to negotiate and execute a contract with National Grid to provide electrical overhead transmission installation equipment and services to add a secondary electrical feed at T. F. Green Airport for a 24 month period in the amount of \$240,000.

(e) Consideration of and Action Upon Approval of a Change Order to Increase the Guaranteed Maximum Price (GMP) Agreement with Skanska USA Building Inc., for the Terminal Security Project at T. F. Green Airport.

WHEREAS, the Rhode Island Airport Corporation (RIAC) has entered into a Guaranteed Maximum Price Agreement (GMP) with Skanska USA Building, Inc. (Skanska) to provide construction management at risk services for the Terminal Security Project; and

WHEREAS, the Terminal Security Project is included in the approved RIAC Fiscal Year 2007 Capital Improvement Program (CIP) budget in the amount of \$83.532 million; and

WHEREAS, as part of the Terminal Security Project, a significant amount of incremental cameras, recording devices and new access

doors must be tied into the existing security console which has reached its capacity; and

WHEREAS, the costs associated with this additional work is not included in the original \$68,162,700 GMP; and

WHEREAS, since issuing the GMP, RIAC has authorized nine change orders totaling \$1,450,131, bringing the total amount of the GMP to \$69,612,831 before this proposed Change Order; and

WHEREAS, RIAC staff has received a scope and fee from Skanska to provide the upgrade to existing security control console in the amount of \$673,407; and

WHEREAS, HNTB, RIAC's design consultant for this project, will be performing cost estimating services of the fee provided by Skanska to ensure that all costs are fair and reasonable and were provided in good faith; and

WHEREAS, \$673,407 will be reallocated from the project budget contingencies to the GMP to fund this Change Order.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board hereby authorizes the President and CEO, or his designee, to execute a Change Order to increase the GMP with

Skanska for the Terminal Security Project related to the upgrade of the existing security control console at T. F. Green Airport in an amount not-to-exceed \$673,407.

(f) Consideration of and Action Upon Approval of Customer Hangar Exterior Repair Project at North Central Airport.

WHEREAS, a competitive bidding process was undertaken according to the Rhode Island Airport Corporation's (RIAC) procurement rules for the Customer Hangar Exterior Repair Project at North Central Airport and three bids were received; and

WHEREAS, the firm of Siegmund and Associates, Inc. (Siegmund), serving as RIAC's design consultant for this project, determined that Tower Construction (Tower) submitted the lowest responsive bid in the amount of \$114,293.78; and

WHEREAS, Siegmund recommends that Tower be awarded the Construction Contract for this project and RIAC staff agrees; and

WHEREAS, the project is included in the proposed Fiscal Year 2008 Capital Improvement Program (CIP) budget in the amount of \$318,000; and

WHEREAS, this contract will be funded with General Purpose Funds.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board hereby authorizes the President and CEO, or his designee, to execute a Construction Contract with Tower for the Customer Hangar Exterior Repair Project at North Central Airport in the amount of \$114,293.78.

(g) Consideration of and Action Upon Approval of a Construction Contract for the Construction of the Turf Tiedown Apron Project at Block Island Airport.

WHEREAS, a competitive bidding process was undertaken according to the Rhode Island Airport Corporation's (RIAC) procurement rules for the construction of Turf Tiedown Apron Project at Block Island Airport and one bid was received from J H Lynch & Sons, Inc. (Lynch); and

WHEREAS, the bid amount of \$997,061 exceeded the available budget for this project; and

WHEREAS, RIAC entered into contract negotiations with Lynch and were able to reduce the construction costs to \$841,791; and

WHEREAS, JEK recommends that Lynch be awarded the Construction Contract for this project and RIAC staff concurs; and

WHEREAS, the project is included in the proposed Fiscal Year 2008 Capital Improvement Program (CIP) budget in the amount of \$1,141,731; and

WHEREAS, this contract will be funded 95% (\$799,700) through the Federal Aviation Administration (FAA) under AIP No. 3-44-0001-13-2007 with the 5% (\$42,090) matching share through the General Purpose Fund.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board hereby authorizes the President and CEO, or his designee, to execute a Construction Contract with J H Lynch & Sons, Inc. for the construction of the Turf Tiedown Apron at Block Island Airport in the amount of \$841,791, subject to receipt of a federal grant offer.

7.2 Action Item:

(a) Consideration of and Action Upon Approval to Enter Into a Professional Services Agreement for Parking Management Services at T. F. Green Airport.

Mr. Larisa reported that due to a business conflict he would be abstaining from any discussion and voting on this issue.

Mr. Traficante requested that the Board defer a decision on this

agreement for 30 days to complete further analysis of the proposals received in response to the solicitation. Mr. Traficante explained that the rationale for his request was that the current vendor had not been invited for an interview, even though they had served as parking management at the airport for 14 years. Mr. Forte and Mr. Schattle gave a detailed overview of the selection process. There was specific discussion of the selection criteria for this agreement.

Mr. Traficante made a motion to defer a decision on this item for 30 days to complete further analysis of the proposals received in response to the solicitation. There was no second so the motion failed.

A motion was made by Mr. Forte and seconded by Mr. Sangster to approve the following resolution:

WHEREAS, the Rhode Island Airport Corporation (RIAC) is responsible for the maintenance and operation of airport facilities at T. F. Green Airport; and

WHEREAS, in January 2007, RIAC issued a Request for Qualifications (RFQ) for the management and operation of the parking facilities at T. F. Green Airport; and

WHEREAS, timely responses were received from the following eleven firms: Five Star Parking, LAZ Parking, AMPCO, Central

Parking, Parking Solutions, VPNE, Republic Parking, ProPark, Standard Parking, FitzInn Parking and AIM Parking Management; and

WHEREAS, RIAC formed a Selection Committee (Committee) comprised of: James Forte, RIAC Board Member; Brian Schattle, Chief Financial Officer; Doug Dansereau, Chief Auditor; Dave Cloutier, AVP Commercial Programs and Bill Blair, Parking Manager; and

WHEREAS, Mr. Schattle, Mr. Dansereau, Mr. Cloutier and Mr. Blair were voting participants of the Committee through the selection of candidates for interviews with oversight by Mr. Forte; and

WHEREAS, Mr. Forte joined the committee as a voting member for final selection and recommendation to the RIAC Board of Directors; and

WHEREAS, the Committee individually reviewed and ranked the eleven qualification submissions and short listed Five Star Parking, AMPCO, Central Parking, Republic Parking, Standard Parking and AIM Parking Management to submit proposals; and

WHEREAS, in April 2007, RIAC issued a Request for Proposals (RFP) to the short listed firms; and

WHEREAS, submitted proposals were individually rated based on the

selection criteria of the RFP; and

WHEREAS, the top three rated firms, AMPCO, Standard and Republic Parking, were selected to be interviewed by the Committee on June 6, 2007; and

WHEREAS, Committee members individually scored the candidates based on the selection criteria identified in the RFP and unanimously selected Standard Parking as the best candidate to provide parking management services for RIAC parking facilities at T. F. Green Airport; and

WHEREAS, the initial term of the PMA is expected to run through June 30, 2013 with two three year additional terms upon mutual written agreement; and

WHEREAS, the base Management Fee for the initial term is expected to be \$1,187,932; and

WHEREAS, RIAC staff will negotiate and finalize an incentive fee structure that is reasonable and appropriate for this operation not-to-exceed \$80,000 per annum; and

WHEREAS, Standard will charge all necessary and direct expenses to operate the parking facilities (operating costs) and a management fee (including a potential Management Incentive) to RIAC on a

monthly basis.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board authorizes the President and CEO, or his designee, to negotiate and execute a Parking Management Agreement with Standard Parking to provide Professional Parking Management Services at T. F. Green Airport with a management fee not to exceed \$1,187,932 through Fiscal Year 2013 and an annual Management Incentive Fee not-to-exceed \$80,000 per year.

By the following roll call vote the motion was passed by four votes in the affirmative, with one member voting no and one member abstaining.

YEAS: Kathleen Hittner, MD.

James Forte

Joseph Cianciolo

Robert Sangster

NAYS: Michael Traficante

ABSTAIN: Joseph Larisa

8. Compensation Committee Report:

Mr. Sangster reported that the Committee met one hour prior to the meeting. Mr. Sangster noted that the one item on the Consent Agenda, Consideration of and Action Upon Non-Union Employee Compensation Program, was withdrawn at the Committee Meeting, and therefore, it was withdrawn from the Board Agenda.

9. Executive Session:

(a) Pending Litigation (Parking) and Potential Litigation (Two Litigation Matters) - R.I.G.L. § 42-46-5(a)(2).

(b) Security (Deployment) – R.I.G.L. § 42-46-5(a)(3).

(c) Investment of Public Funds Where Premature Disclosure Would be Detrimental to the Public Interest (Dooney and Intermodal) - R.I.G.L. § 42-46-5(a)(7).

(d) Acquisition of Real Estate (Aeroserv) – R.I.G.L. § 42-46-5(a)(5).

Mr. Frazier noted that the posted agenda had included an Executive Session Item related to Personnel. This item was removed from the agenda.

At approximately 4:00 p.m., a motion was made by Mr. Forte and seconded by Mr. Cianciolo to go into Executive Session. By the following roll call vote the motion was passed unanimously.

YEAS: Kathleen Hittner, M.D.

James Forte

Joseph Cianciolo

Robert Sangster

Joseph Larisa

Michael Traficante

NAYS: None

ABSTAIN: None

At approximately 5:15 p.m., a motion was made by Mr. Forte and seconded by Mr. Cianciolo to reconvene to the Open Session. The motion was passed unanimously.

A motion was made by Mr. Larisa and seconded by Mr. Sangster to seal the minutes of the Executive Session in accordance with R.I.G.L. § 42-46-4. By the following roll call vote the motion was passed unanimously:

YEAS: Kathleen Hittner, M.D.

James Forte

Joseph Cianciolo

Robert Sangster

Joseph Larisa

Michael Traficante

NAYS: None

ABSTAIN: None

10. Future Meetings:

The next meeting will be held on Wednesday, July 18, 2007, at 4:00 p.m., in the Conference Room at 2220 South County Trail, East Greenwich, Rhode Island.

11. Adjournment:

At approximately 5:20 pm a motion was made by Mr. Forte and seconded by Mr. Cianciolo to adjourn the meeting. The motion was passed unanimously.

Respectfully submitted,

Kathleen C. Hittner, M.D. Chair

Rhode Island Airport Corporation

ATTENDANCE SHEET

RHODE ISLAND AIRPORT CORPORATION

BOARD OF DIRECTORS MEETING

JUNE 20, 2007

NAME	AFFILIATION
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Doug Dansereau	RIAC
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Bruce Wilde	RIAC
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Ahmed Shihadeh	RIAC
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Steve Tibbetts	Landmark Aviation
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Richard Licht	Tillinghast Licht
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Steve Whitney	Senate Fiscal Office
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Robert Goff	The Parking Company
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Bill Herendeen	Churchill and Banks
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Antonio Alfonso, Jr.	Moses Alfonso Jackvony
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Bob Hannon PB America

Chris Howley Republic Parking

The minutes of the Executive Session of the Board of Directors Meeting of June 20, 2007 have been sealed in accordance with R.I.G.L. § 42-46-4.